



## Presentation Outline

- Business Overview
- Financial Highlights
- Outlook and Growth Strategies
- Question & Answer
- Appendix

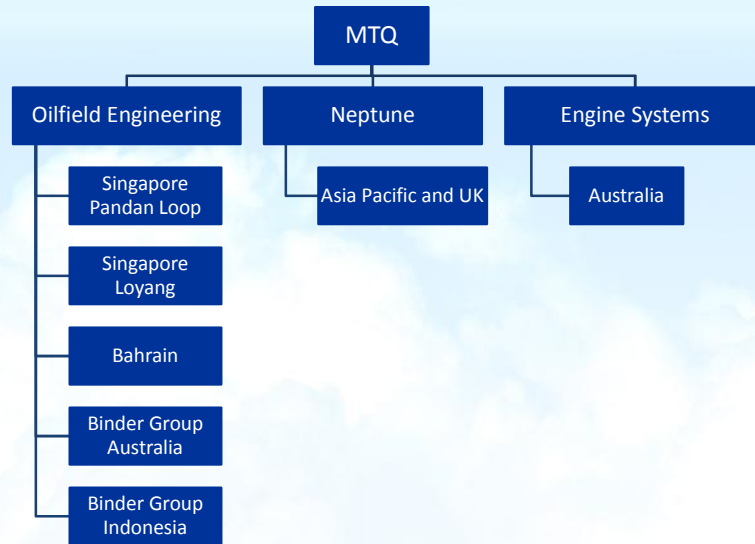


## Corporate Profile

- Established in 1969, listed on SGX-SESDAQ in 1988 and subsequently upgraded to SGX-Mainboard in 1999
- Comprises 3 segments:
  - Oilfield Engineering Services operating out of 5 locations, in Singapore at Pandan Loop and Loyang, Bahrain, Australia and Indonesia
  - Neptune Marine Services is a subsea service operator based in Australia with service capability covering Asia Pacific and UK
  - Australian-wide Engine Systems Distribution and Service, with focus on turbochargers and fuel injection engines



## Business Model



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## Oilfield Engineering – Operating Locations

Pandan Loop	Loyang	Bahrain
<ul style="list-style-type: none"> <li>Fully-equipped workshop with blasting and painting facilities</li> <li>Houses one of the largest vertical and horizontal boring equipment</li> <li>14,000 sqm</li> </ul>	<ul style="list-style-type: none"> <li>API certified machine workshop</li> <li>Capable of complete refurbishment, manufacturing and repair services</li> </ul>	<ul style="list-style-type: none"> <li>API certified and fully operational since late 2011</li> <li>Over 40,000 sqm of production area</li> </ul>
<b>Binder – Australia and Indonesia</b> <ul style="list-style-type: none"> <li>Design and manufacture to international standards (eg. MSS-SP-58, MSS-SP-69, ASME, BS3974)</li> <li>Total of 11,600 sqm facility in Australia</li> <li>21,800 sqm facility in Indonesia</li> </ul>		

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## Oilfield Engineering – Singapore and Bahrain

- Specialises in oilfield equipment repairs and reconditioning, component manufacturing, fabrication and rental operations
- Focus on high pressure drilling equipment, notably Blow-Out Preventor related components
- Many years of working familiarity with our core customers and OEM equipments providers: Cameron, GE Oil & Gas, Aker Solutions, NOV
- In additions, our customers include international and regional drilling contractors, major and regional oil companies, oil service companies, etc.

Over 30 years of  
reputable standing and  
track record

Renowned for superior  
quality and prompt  
delivery



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## Oilfield Engineering – Singapore and Bahrain

### Customers

- MTQ services OEMs, drilling contractors, service companies and oil companies



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## Oilfield Engineering – Singapore and Bahrain

### Products



- Rebuilt and complete stack-up 18 3/4" – 15,000 PSI Blowout Preventer for semi-submersible rig



Spools



Diversers



BOP



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## Oilfield Engineering – Australia and Indonesia

- One of the region's leading specialists in the design and manufacture of proprietary and custom-built pipe support and pipe suspension solutions mainly focused on the oil & gas sector
- Has sales offices in Singapore, Indonesia, London, and USA, with agents active in 30 countries worldwide
- Specialist in the manufacture of High Density Polyurethane Foam ("PUF") Cryogenic Pipe Shoes for the LNG industry



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## Oilfield Engineering – Australia and Indonesia

### Products



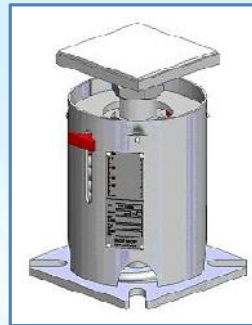
Bolt clamps



Riser supports



U Bolts



**Variable Spring Support** – used for supporting pipe work, vessels, columns and pipe connections to large tanks



Pipe shoes



High Density PUF Cryogenic Pipe Shoes

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## Neptune

- Neptune is publicly listed on ASX that provides offshore engineering services to O&G, Marine and Renewable Energy industries
- Headquartered in Perth, Neptune has a comprehensive focus on Subsea services with a global presence spanning Australia, Asia, UK, and the Middle East
- Their comprehensive range of services include:
  - Asset Integrity Maintenance and Service
  - Diving
  - Fabrication and Offshore
  - Subsea Engineering
  - Geomatics
  - ROV
  - Subsea Stabilisation
  - NEPSYS

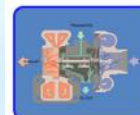


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## Engine Systems

- Largest suppliers of turbochargers and diesel four wheel drive kits in Australia with 12 branches nationwide
- Major supplier of quality diesel fuel injection spare parts
- Authorised service agents/distributors for world renowned brands such as Bosch, IHI, Garrett, Denso, Schwitzer etc
- Goal of being the only nationwide, comprehensive business in this space in Australia



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## Investment Merits

- **Favourable outlook for the oil and gas service business environment**
- **Steady profitability in core oilfield services business with good growth prospects**
  - Many years of experience in working with global leaders in the drilling equipment space
  - Entry barrier to industry remains high
  - Independent nature of operations reduces reliance on individual OEM
- **Strong operational presence**
  - Singapore and Bahrain are key services hubs in SE Asia and Middle East
  - Dedicated and dynamic management team with many years of experience in the O&G business
  - Familiarity with global and regional customer base

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## Investment Merits

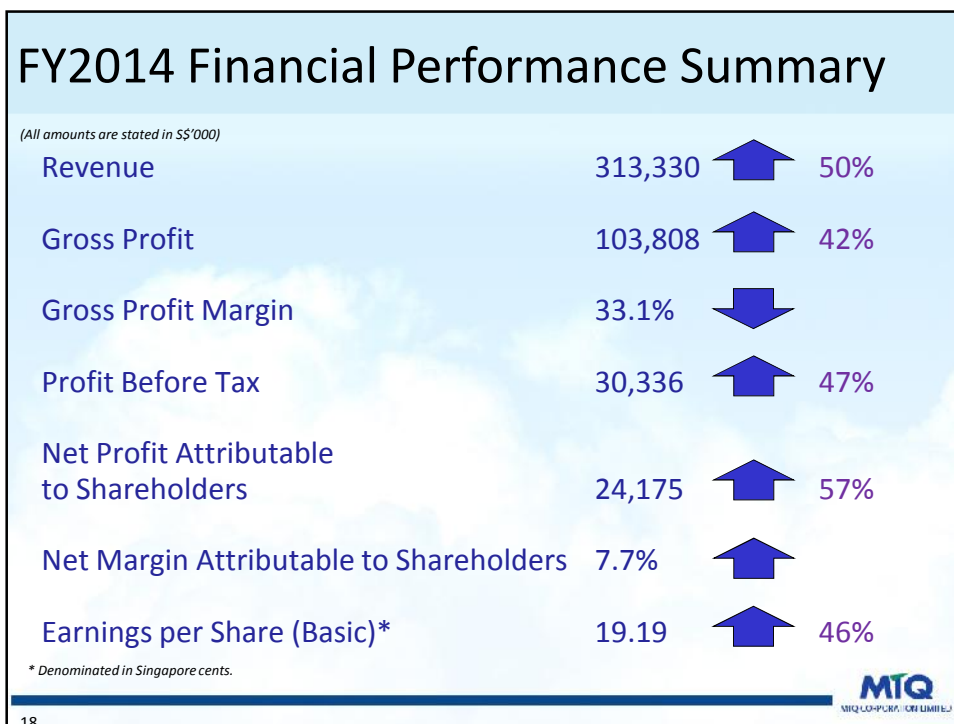
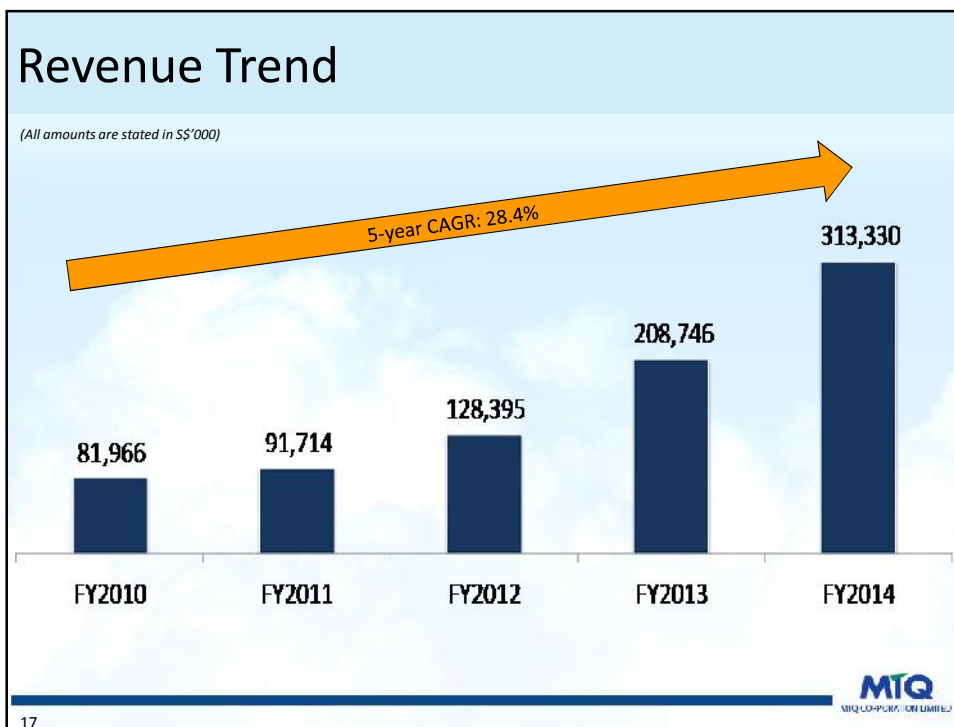
- Expanding service offering to secure more revenue opportunities from key customers
- Making good progress in terms of developing into a regional oilfield engineering services group, focus on the Inspection, Repair and Maintenance space of subsea oil and gas exploration, drilling and production
- Remains financially strong and prudent in pursuing growth
- The enlarged Group with Neptune and Binder has enhanced the Group's operations, giving it more capabilities and cross selling opportunities to a larger customer base across geographies

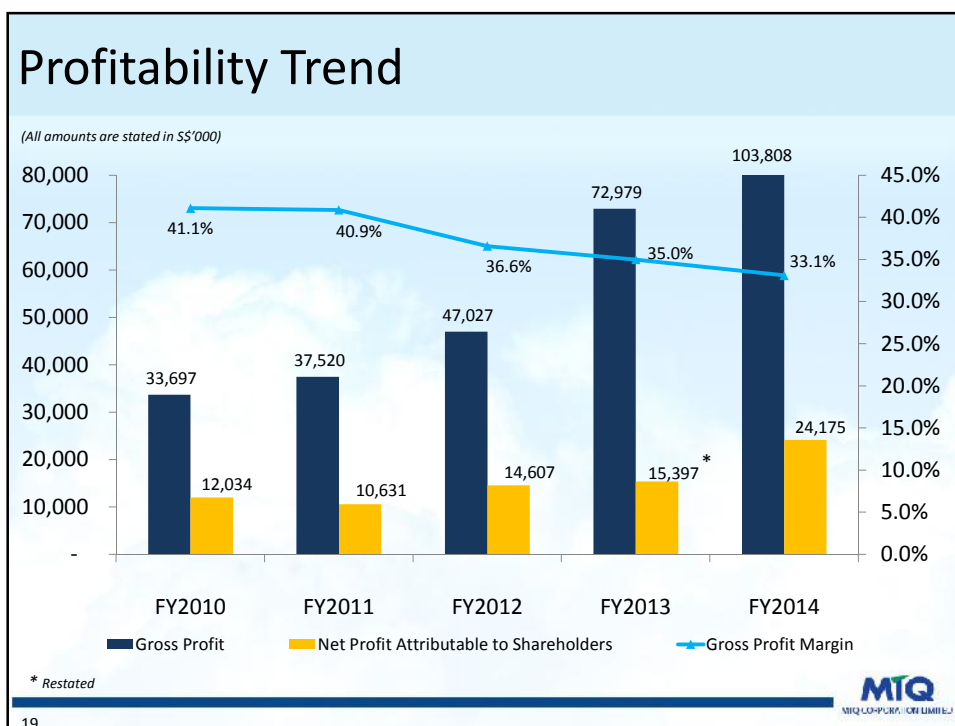
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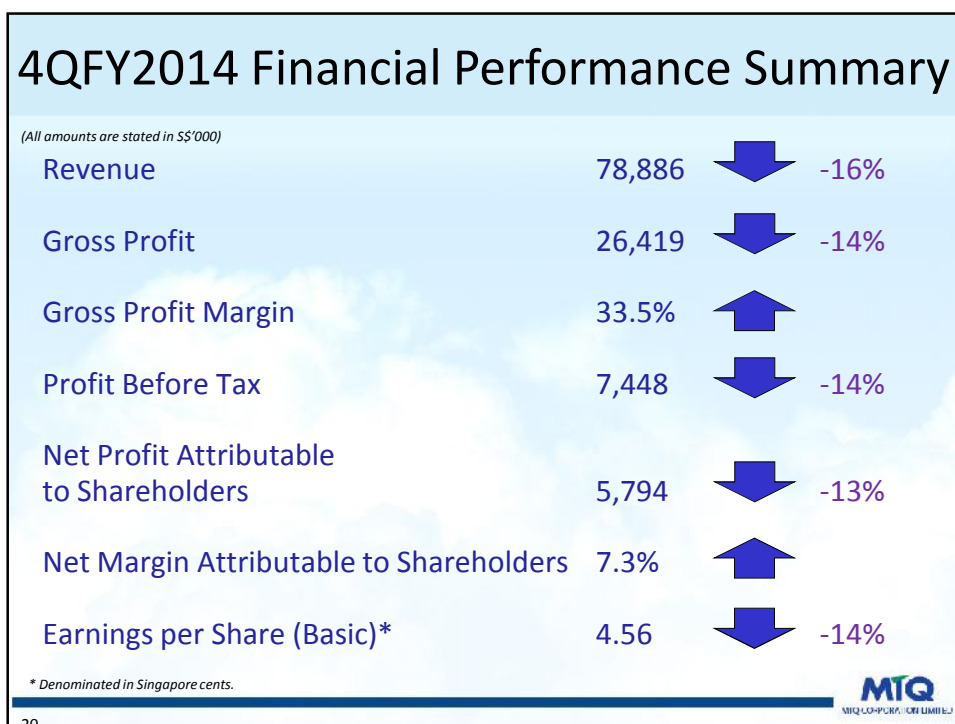
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## Key 4<sup>th</sup> quarter comments

- Good close to the end for Singapore numbers
- Record revenues in March for Bahrain provide encouragement for FY2015
- Absence of diving campaigns in last 3 quarters at Neptune has affected net profits, particularly as compared to 4Q2013, still confident of driving net bottom line improvements moving ahead.
- Overall profit margins still healthy

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## Balance Sheet Highlights

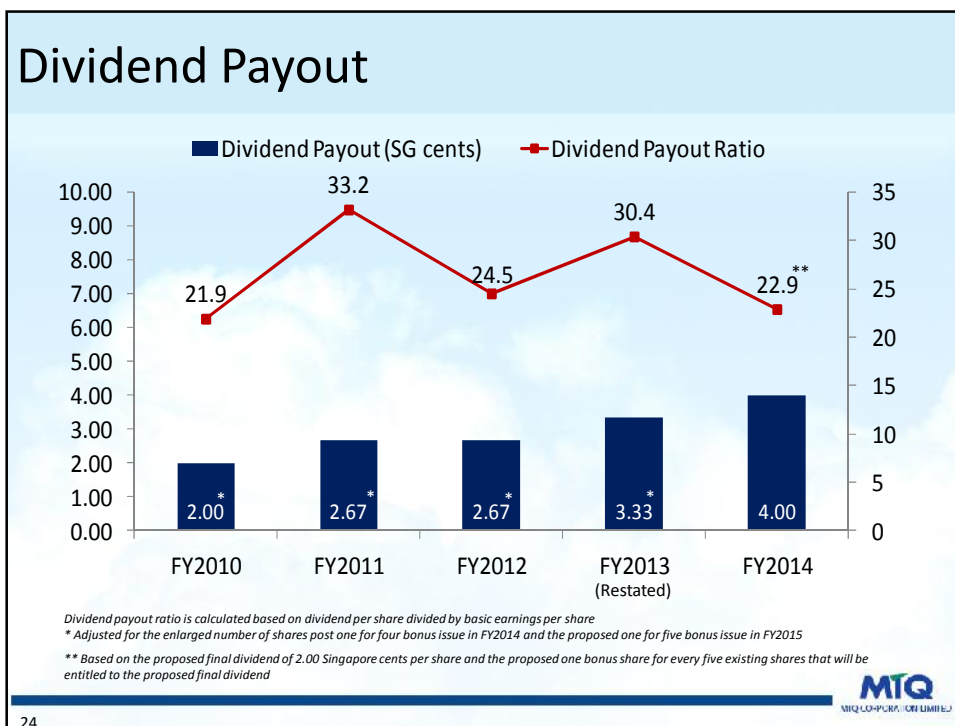
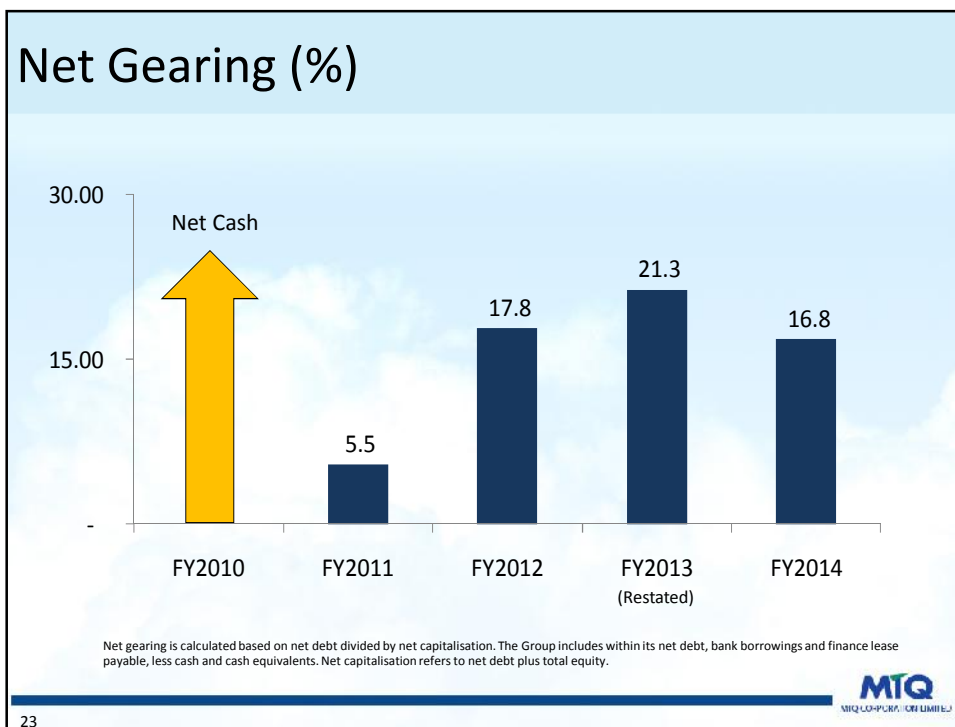
S\$'000	31 Mar 2014	31 Mar 2013
Net Current Assets	83,631	85,888
Net Assets	140,606	120,759
Cash and Cash Equivalents	37,432	40,911
Finance Lease Payable	1,360	916
Borrowings	64,517	72,659
Shareholders' Funds	130,951	110,356
Net Gearing <sup>1</sup>	16.8 %	21.3%
Net Assets Value <sup>2</sup>	103.0 cents	88.0 cents

1. Net gearing ratio is calculated based on net debt divided by net capitalisation. The Group includes within its net debt, bank borrowings and finance lease payable, less cash and cash equivalents. Net capitalisation refers to net debt plus total equity

2. Net assets value is calculated based on the Group's shareholders' funds divided by the total number of issued shares excluding treasury shares as at the end of the financial period

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## Industry Statistics

- High oil price will continue to fuel drilling activities which in turn stimulate demand for MTQ's services
- Global oil demand is forecasted to increase in the mid to long term, with 88% of the growth from 2012 – 2035 coming from developing Asia
- Offshore focus with deepwater as priority. Deepwater expenditure is expected to increase 130% to US\$260 billion from 2014 – 2018, compared to the preceding five year period

### World Oil Demand Outlook – Mid Term

	2012	2013	2014	2015	2016	2017	2018
OECD America	29.7	29.8	29.9	29.9	29.9	29.8	29.8
OECD Europe	13.9	14.4	15.2	16.1	17.0	17.8	17.7
OECD Asia Oceania	8.5	8.4	8.3	8.5	8.7	8.7	8.1
<b>OECD</b>	<b>46.0</b>	<b>45.6</b>	<b>45.4</b>	<b>45.2</b>	<b>45.0</b>	<b>44.8</b>	<b>44.6</b>
Latin America	5.2	5.4	5.5	5.7	5.8	5.9	6.0
Middle East & Africa	3.4	3.4	3.5	3.5	3.5	3.7	3.8
India	3.7	3.8	3.9	4.0	4.2	4.4	4.6
China	9.7	10.1	10.4	10.8	11.1	11.5	11.9
Other Asia	7.2	7.2	7.1	7.0	7.0	6.9	6.2
U.S.LC	8.7	9.0	9.2	9.5	9.5	9.8	9.9
<b>Developing countries</b>	<b>37.8</b>	<b>38.9</b>	<b>40.1</b>	<b>41.1</b>	<b>42.2</b>	<b>43.3</b>	<b>44.4</b>
Russia	3.4	3.5	3.5	3.5	3.5	3.5	3.6
Other Eurasia	1.5	1.7	1.7	1.7	1.8	1.8	1.8
Eurasia	5.0	5.1	5.2	5.3	5.3	5.4	5.4
<b>World</b>	<b>88.9</b>	<b>89.6</b>	<b>90.7</b>	<b>91.6</b>	<b>92.5</b>	<b>93.5</b>	<b>94.4</b>

### World Oil Demand Outlook – Long Term

	2012	2015	2020	2025	2030	2035
OECD America	23.7	23.9	23.7	23.2	22.6	21.9
OECD Europe	13.8	13.1	12.5	12.1	11.7	11.4
OECD Asia Oceania	8.5	8.3	8.0	7.8	7.4	7.1
<b>OECD</b>	<b>46.0</b>	<b>45.2</b>	<b>44.2</b>	<b>43.1</b>	<b>41.8</b>	<b>40.4</b>
Latin America	5.2	5.7	6.2	6.5	6.9	7.2
Middle East & Africa	3.4	3.5	3.5	4.4	4.8	5.3
India	3.7	4.0	4.5	5.2	5.8	6.3
China	9.7	10.8	12.7	14.4	16.0	17.5
Other Asia	7.2	7.5	7.5	7.5	7.0	6.0
U.S.LC	8.7	9.5	10.2	10.8	11.5	11.9
<b>Developing countries</b>	<b>37.8</b>	<b>41.1</b>	<b>46.6</b>	<b>51.8</b>	<b>57.0</b>	<b>62.1</b>
Russia	3.4	3.5	3.7	3.7	3.7	3.8
Other Eurasia	1.6	1.7	1.9	2.0	2.1	2.2
Eurasia	5.0	5.3	5.5	5.7	5.8	6.0
<b>World</b>	<b>88.9</b>	<b>91.6</b>	<b>99.3</b>	<b>100.7</b>	<b>108.6</b>	<b>108.5</b>

26 Source: World Oil Outlook 2013, Organization of the Petroleum Exporting Countries



## Industry Statistics

### Barclays Global 2014 E&P Spending Outlook

- Global E&P spending is set to grow about 6% in 2014 to US\$723 billion in the fifth straight year of growth
- The Middle East should once again be the fastest growing oilfield services market at more than 14% in 2014, led by significant capital expansions expected for Saudi Aramco and Kuwait Oil Co.
- The industry remains in what we believe are the early days of a prolonged global upcycle, and consequently we expect market fundamentals to favor service companies for the next several years

	2013A	2014E	+/-%	%
US Spending	143,989.2	156,762.6	12.1/11.4	8.3%
Canada Spending	41,738.2	43,068.8	1,330.6	3.2%
<b>NAM Spending:</b>	<b>\$185,727</b>	<b>\$199,831</b>	<b>\$13,505</b>	<b>7.3%</b>
Middle East	34,791.0	39,812.0	5,021.0	14.4%
Latin America	71,390.0	84,749.0	13,359.0	18.8%
Russia/ CIS	13,940.1	13,844.0	-95.1	-0.7%
Europe	46,684.3	50,312.6	3,628.3	7.8%
India, Asia & Australia	120,528.0	124,782.2	4,254.2	3.5%
Mexico (Intl Spending)	113,992.0	115,413.0	1,421.0	1.2%
Africa	25,241.0	25,337.1	96.1	0.4%
NAM Independents (Intl Spending)	13,899.0	13,547.0	(352.0)	-2.5%
Other	6,101.2	6,475.6	374.4	6.1%
<b>Intl Spending:</b>	<b>\$495,363</b>	<b>\$528,078</b>	<b>\$32,715</b>	<b>6.6%</b>
<b>Worldwide E&amp;P Spending:</b>	<b>\$681,690</b>	<b>\$723,511</b>	<b>\$41,821</b>	<b>6.1%</b>

27 Source: Barclays Global 2014 E&P Spending Outlook

## Industry Statistics

- Total utilisation for all three types of rig remained stable in March at 95% for drillships, 84% for semis and 88% for jackups
- Newbuild rigs on order, planned and under construction worldwide have increased to 239 in March 2014 from 237 in December 2013 : 73 drillships, 27 semis and 139 jackups

28 Source: IHS Petrodata World Rig Forecast: Short Term Trends, March 2014

## Industry Statistics

- Middle East and South East Asia are the two largest markets for jack up rigs in the world
- Our Singapore facilities captures the South East Asian market, while our facilities in Bahrain caters to the Middle Eastern market for the Oilfield Engineering business

Worldwide Jackup market														
	2014						2015						AVG	
	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN		FEB
North America	33	32	31	32	30	30	29	28	31	32	32	33	34	31
Central America	46	48	48	50	50	50	50	50	51	52	52	51	51	50
South America	8	8	8	8	8	9	9	9	9	9	9	11	10	9
NW Europe	37	37	40	42	43	44	46	47	49	48	47	49	49	45
Baltic/Russian Arctic	1	1	2	4	3	3	3	3	3	1	1	1	1	2
Med/Black Sea	14	15	15	16	16	16	16	16	17	16	16	15	15	16
West Africa	22	21	22	22	21	22	21	23	24	24	23	25	25	23
Middle East	125	127	127	131	136	136	139	139	141	143	140	142	144	137
Caspian	6	6	6	6	6	6	6	6	6	7	7	7	8	6
Indian Ocean	30	34	31	30	32	31	31	31	36	36	37	37	37	34
Southeast Asia	60	62	64	68	71	74	75	77	77	79	79	78	75	73
Far East	27	27	28	29	29	30	29	28	28	29	29	28	28	28
Australia/New Zealand	1	0	1	1	1	2	2	2	3	4	3	3	3	2
Demand	409	418	423	440	447	453	456	459	476	480	475	480	479	457
Total Supply	513	513	518	524	531	532	534	538	540	545	547	549	557	536
Marketed Supply	465	465	474	484	490	492	498	500	503	505	508	510	518	495
Marketed Surplus	58.4	47.0	51.3	44.1	43.3	38.6	40.6	41.0	26.9	24.7	32.9	30.2	36.8	38.1
Total utilisation %	79.7	81.5	81.6	83.9	84.1	85.1	85.3	85.3	88.2	88.1	86.9	87.4	86.0	85.3
Marketed utilisation %	87.9	89.9	89.2	90.9	91.2	92.1	91.8	91.8	94.7	95.1	93.5	94.1	92.9	92.3

29 Source: IHS Petrodata World Rig Forecast: Short Term Trends, March 2014

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## Key goals moving ahead

- Immediate focus is on growing Oilfield Engineering, with a particular focus on ramping up productivity at Bahrain so that it contributes to the bottom line
- To improve net contributions from Neptune through growing revenues at gross profit margins
- To generate returns from our investment in Binder
- Keep a lean cost structure to maintain competitive margins and improve returns through economies of scale and cross selling opportunities

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## Share Statistics

Bloomberg ticker	MTQ SP SGD
Share Price	S\$1.945
52-week high/low	S\$1.975 / S\$1.092
Market Capitalisation (out of 127.0m shares)	S\$247.0 million
P/E	10.68x
P/B	1.89x
Major Shareholders	Kuah Kok Kim (24.15%) Maclean Investments Ltd (17.60%) Tai Tak Securities (8.41%) Singapore Warehouse (5.41%) Kuah Boon Wee (2.78%)

Source: Bloomberg 5.5.2014



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## 1- Year Share Price Chart



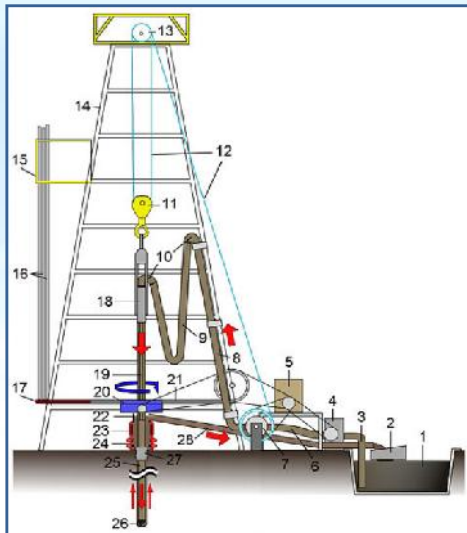
Source: Bloomberg 5.5.2014



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## Oilfield Engineering – Drill Rig Components



- 1. Mud tank
- 2. Shale shakers
- 3. Suction line (mud pump)
- 4. Mud pump
- 5. Motor or power source
- 6. Vibrating hose
- 7. Draw-works
- 8. Standpipe
- 9. Kelly hose
- 10. Goose-neck
- 11. Traveling block
- 12. Drill line
- 13. Crown block
- 14. Derrick
- 15. Monkey board
- 16. Stand (of drill pipe)
- 17. Pipe rack (floor)
- 18. Swivel (On newer rigs this may be replaced by a Top Drive)
- 19. Kelly drive
- 20. Rotary table
- 21. Drill floor
- 22. Bell nipple
- 23. Blowout preventer (BOP) Annular
- 24. Blowout preventers (BOPs) Pipe ram & Blind ram
- 25. Drill string
- 26. Drill bit
- 27. Casing head
- 28. Flow line



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